PROSPECTUS – LEASE DEPARTMENT OF DEFENSE ZACHARY TAYLOR BUILDING NORTHERN VIRGINIA

Prospectus Number: PVA-04-WA13 Congressional District: 8,10,11

Executive Summary

The General Services Administration (GSA) proposes a replacement lease of up to 585,000 rentable square feet (RSF) for the Department of Defense (DOD), currently located at the Zachary Taylor Building, 2530 Crystal Drive, Arlington, Virginia. DOD has a continuing, long-term need for space to meet its mission requirements in Northern Virginia. It will continue to maintain a highly efficient office space utilization rate of 108 and an overall space utilization of 163 usable square feet per person.

Acquisition Strategy

In order to maximize the flexibility in acquiring space to house the DOD, GSA may issue a single, multiple award solicitation that will allow offerors to provide blocks of space able to meet the requirements in whole or in part. All offers must provide space consistent with the delineated area defined by this prospectus in the description that follows.

Description

Occupant: Department of Defense

Lease Type Replacement

Current Rentable Square Feet (RSF) 549,317 (Current RSF/USF = 1.13) Proposed Maximum RSF¹: 585,000 (Market RSF/USF = 1.2)

Expansion Space RSF:

Current Usable Square Feet/Person:

Proposed Usable Square Feet/Person:

163

163

Proposed Usable Square Feet/Person: 163
Proposed Maximum Leasing Authority: 15 years

Expiration Dates of Current Leases: 4/30/13, 12/9/14
Delineated Area: Northern Virginia

Number of Official Parking Spaces²: 10

Scoring: Operating Lease

¹ The RSF/USF at the current location is approximately 1.13. The proposed maximum RSF does not represent expansion space but the amount needed to provide 487,019 USF as indicated on the housing plan in buildings having an RSF/USF as high as 1.20 in order to maximize competition.

² DOD security requirements may necessitate control of the parking at the leased location. This may be accomplished as a lessor-furnished service, under an operating agreement with the lessor, or as part of the Government's leasehold interest in the building(s).

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Maximum Proposed Rental Rate³:

\$39.00

Proposed Total Annual Cost⁴:

\$22,815,000

Current Total Annual Cost:

\$20,020,180 (leases effective 5/1/03 and

12/1004)

Justification

The leases at 2530 Crystal Drive, Arlington, VA expire on April 30, 2013 (524,867 RSF) and December 9, 2014 (24,450 RSF), and DOD requires continued housing to carry out its mission.

The maximum proposed rental rate in this prospectus is a projected rate for lease transactions with a future effective (rent start) date consistent with the expiration of the current leases on April 30, 2013 and December 9, 2014. GSA will conduct the procurement using prevailing market rental rates as a benchmark for the evaluation of competitive offers and as a basis for negotiating with offerors to ensure that lease award is made in the best interest of the Government. Lease award shall not exceed the maximum rental rate as specified in this prospectus.

Summary of Energy Compliance

GSA will incorporate energy efficiency requirements into the Request for Lease Proposals and other documents related to the procurement of space based on the approved prospectus. GSA encourages offerors to work with energy service providers to exceed minimum requirements set forth in the procurement and to achieve an Energy Star performance rating of 75 or higher.

Resolutions of Approval

Resolutions adopted by the House Committee on Transportation and Infrastructure and the Senate Committee on Environment and Public Works approving this prospectus will constitute approval to make appropriations to lease space in a facility that will yield the required rentable area.

³ This estimate is for fiscal year 2013 and may be escalated by 1.75 percent annually to the effective date of the lease to account for inflation. The proposed rental rate is fully serviced including all operating expenses whether paid by the lessor or directly by the Government.

⁴ Any new lease may contain an annual escalation clause to provide for increases or decreases in real estate taxes and operating costs.

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Interim Leasing

GSA will execute such interim leasing actions as are necessary to ensure continued housing of the tenant agency prior to the effective date of the new lease. It is in the best interest of the Government to avert the financial risk of holdover tenancy.

Certification of Need

The proposed project is the best solution to meet a validated Government need.	
Submitted at Washington, DC, on November 21, 2012	
Recommended: Commissioner, Public Buildings Service	-
Approved:	
Acting Administrator, General Services Administration	